

## Notice to Montana Resident Vendors

A reciprocal or “retaliatory” preference is required in statute for bidders for the purchase of supplies and for construction, repair, and public works of all kinds. This type of preference is only applied against bidders whose resident states apply resident preferences and only in projects where federal dollars are not involved. Very few states fit in this category.

To apply the reciprocal preference, agencies must add a percent increase to each non-resident's bid price if the bidder is from a state that applies resident preferences. For example, if a bid is received from a Wyoming company, the agency must add 5% to that bidder's price when evaluating the bid because that is the general percentage Montana firms are penalized when bidding on contracts in Wyoming. For further guidance in applying the reciprocal preference, see ARM 2.5.408.

**Any questions concerning the application of the reciprocal preference can be addressed by the State Procurement Bureau staff at (406) 444-2575.**

**Whether or not a bidder qualifies as a Montana resident is determined by the General Services Division within the Department of Administration.** This determination is based on a notarized affidavit filed with that office by the vendor. The affidavit is reviewed by the staff of the division and a determination is made on whether the vendor qualifies for residency status based on section 18-1-103, MCA.

If the Department of Administration determines that the bidder has submitted a false affidavit, the bidder may be disqualified as a future bidder for five years after the date of that determination. See section 18-1-113, MCA.

**Please keep in mind the following information concerning the application of a reciprocal preference:**

- Ø This preference is *only* applied when *invitations for bid* for *supplies* are issued by a state agency.
- Ø *This preference is not applied:*
  - Ø if any federal funds are involved in the procurement;
  - Ø if the bid is for a term contract;
  - Ø if any "services" are involved as defined in section 18-4-123, MCA;
  - Ø if "small purchase" or "limited solicitation" procurement methods, as defined in section 18-4-305, MCA, and ARM 2.5.603 are used by an agency (generally, purchases under \$25,000);
  - Ø if a request for proposal is the procurement method used; or
  - Ø if the purchase is made under a “cooperative purchasing agreement” as defined in section 18-4-401, MCA.
- Ø The business name and federal identification number on the affidavit must match the business name and federal identification number on the submitted bid documents.
- Ø All branch offices of a Montana resident company must have a separate affidavit on file with the State of Montana unless the submitted bid documents reflect the same business name and federal identification number as the parent company's affidavit.

## MONTANA RESIDENT PREFERENCE AFFIDAVIT

Company Name: \_\_\_\_\_ Contact Person \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State/Country: \_\_\_\_\_ Zip: \_\_\_\_\_ - E-mail: \_\_\_\_\_  
Phone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_ Federal Tax ID/SSN #: \_\_\_\_\_

The following section should *only* be filled out by businesses *physically located in Montana*. In certain instances, the State of Montana applies a "reciprocal" preference against non-resident bidders located in certain states. Branch offices of a Montana resident business *must* submit a separate affidavit in order to qualify for the application of a reciprocal preference.

### Type of Business Enterprise: (Check and complete **ONLY ONE** applicable section)

#### \_\_\_ Individual

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

Have you been a resident of Montana 12 months prior to bidding? \_\_\_Y\_\_\_N

#### \_\_\_ Partnership or Association

List all names and addresses of all Montana resident partners or members. (Use additional sheets as necessary)

Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Address: \_\_\_\_\_ Address: \_\_\_\_\_

Have the majority of partners or members been residents of Montana for the last 12 months? \_\_\_Y\_\_\_N

#### \_\_\_ Limited Liability Company

List all names and addresses of all Montana resident members. (Use additional sheets if necessary)

Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Address: \_\_\_\_\_ Address: \_\_\_\_\_

Have the majority of all members been residents of Montana for the last 12 months? \_\_\_Y\_\_\_N

#### \_\_\_ Corporation

State of Incorporation \_\_\_\_\_

Is your company a wholly owned subsidiary of a non-Montana corporation? \_\_\_Y\_\_\_N

**Note: Only companies incorporated in Montana and not wholly owned by a non-Montana corporation are eligible to receive the Montana resident preference per section 18-1-103, MCA.**

I, \_\_\_\_\_ (name), being first duly sworn, depose and say: That I am the  
\_\_\_\_\_ (individual, partner, officer of corporation, or association officer) of the above named business, and I  
have read the above and the information contained herein is true to the best of my knowledge, information, and belief.

\_\_\_\_\_  
Signature

State of \_\_\_\_\_  
County of \_\_\_\_\_

Signed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Typed or Printed Name of Notary  
Residing at \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

### For State Use Only

Preference: \_\_\_Y\_\_\_N \_\_\_Initial\_\_\_ Date